

(a) whether attention has been drawn to the news item captioned "SSIs demand parity with large units" appearing in the *Indian Express* dated January 3, 1997;

(b) if so, the reaction of the Government to the parity demand of Small Scale Industries with large units; and

(c) the action proposed to be taken in this regard ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) and (c) The parity demanded in the news item is mainly with regard to the availability of cheaper credit as small units now pay guarantee commission charges at the rate of 2.5% over and above the interest rate. According to Reserve Bank of India, guarantee cover is obtained in respect of small units as no security is available. Banks, therefore, safeguard their interest by taking DICGC cover. This also additionally encourages banks to extend loan to SSIs. Besides, demand has been made for providing credit without collateral security. As per Reserve Bank of India guidelines/norms, for loans upto Rs. 25,000 collateral security/third party guarantee should not be taken.

Imposition of Export Obligation Condition on Foreign Investment

52. SHRI CHITTA BASU : Will the Minister of COMMERCE be pleased to state:

(a) whether any proposal is under consideration of the Government to make export obligation as a pre-condition for foreign investment as in the case of some South-East and East Asian countries;

(b) if so, the details thereof and if not, the reasons therefore;

(c) whether the Government are aware that foreign investors do not export sizeable commodities manufactured in the country as per their export commitments;

(d) if so, the details thereof, and

(e) the steps proposed to be taken by the Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) No, Sir. As per the present policy, foreign investors who propose to take up manufacturing in India of the 22 specified industries in the consumer goods sector, have to meet the condition of dividend balancing. Further, export obligation is also imposed where a foreign equity participation in a Small Scale Industry (SSI) unit exceeds 24% or a non-SSI unit proposes to manufacture an item reserved for SSI. Export Oriented Units with foreign investment are also obliged to export entire production, except sale in the domestic tariff area as admissible under the Exim Policy.

(c) to (e) The foreign investors are obliged to export their manufactured products as per export obligation under the relevant scheme. Their export performance is monitored by the concerned Departments/Agencies of the Government of India and appropriate penal action is taken in cases of default as per prescribed norms.

Dearness Allowance

53. SHRI K.H. MONIYAPPA : Will the Minister of FINANCE be pleased to state:

(a) whether one more instalment of Dearness Allowance has become due for the Union Government employees from January 1, 1997 due to the sharp increase in the prices of essential commodities;

(b) if so, the details thereof; and

(c) the time by which the D.A. would be announced/sanctioned by the Union Government ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) In accordance with the existing formula relating to the grant to dearness allowance to the Central Government employees, additional instalments of dearness allowance become due from 1st January and 1st July every year on the basis of percentage increase in the 12th monthly average of All India Consumer Price Index for Industrial Workers (General) (1960=100) over the base index of 608. The instalment due from 1st January normally becomes payable with the salary for the month of March, paid in April

Conversion of I.R.B.I.

54 LT. GEN. SHRI PRAKASH MANI TRIPATHI : DR. LAXMINARAYAN PANDEY :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have converted the Industrial Reconstruction Bank of India (IRBI) into a company;

(b) if so, the details thereof; and

(c) the benefits likely to be accrued to the Government and other shareholders in the IRBI as a result thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) An Ordinance to provide for the transfer and vesting of the undertakings of the Industrial Reconstruction Bank of India to and in the Company to be formed and registered as a Company under the Companies Act, 1956, and for matters connected therewith or incidental thereto and also to repeal the Industrial Reconstruction Bank of India Act, 1984 was promulgated on 24th January, 1997. Necessary action for introduction of the Bill to this effect in the current session of Parliament is being taken.

Coal Linkage for Power Plants

55. SHRI K.P. SINGH DEO : SHRI N.J. RATHWA :

Will the Minister of COAL be pleased to state:

(a) the number of coal based power plants in the country;

(b) whether the proposal to provide coal linkage for some power plants are pending for the approval of the Government;

(c) if so, the details thereof and the number of such